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U.S. Farm Exports Hit Alltime Peak

Japan's Import Liberalization —Part of Economic Dilemma

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This week's cover:

Wheat flows into a truck from combine spouts during harvest in State of Washington. Increased grain sales helped to push U.S. agricultural exports to a new record of $7.8 billion in fiscal 1971. See story beginning this page.

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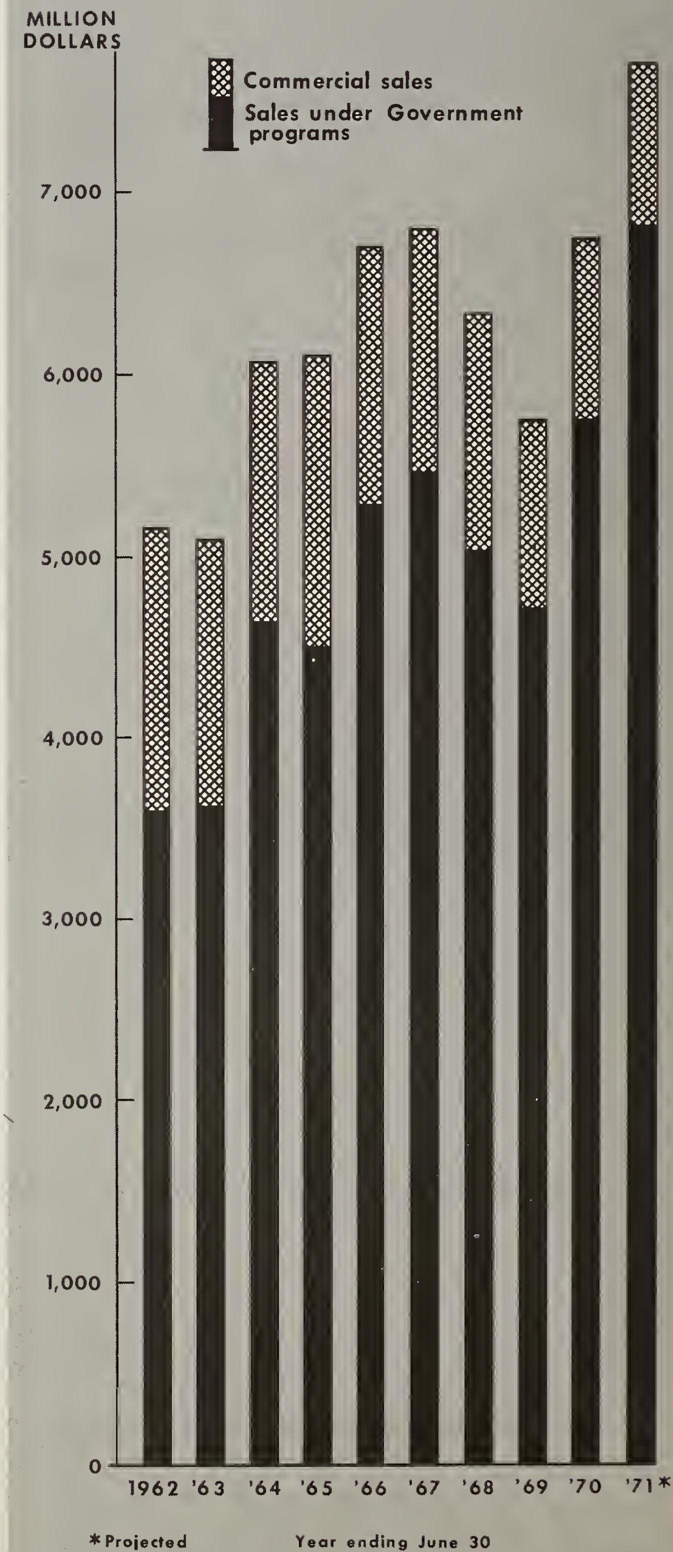
2001

DOLLAR SALE

To Alltime Pea



9(31): 2-4,

oost U.S. Farm Exports

f $7.8 Billion in Fiscal 1971

By DEWAIN H. RAHE
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U.S. agricultural exports, paced by unprecedented commercial sales, rocketed to a new record of $7.8 billion in fiscal 1971. This level of exports is 16 percent above last year's $6.7 billion and 15 percent above the previous record of $6.8 billion, set in fiscal 1967.

The buoyancy of these exports in the past fiscal year is demonstrated by the fact that 11 months of the year set new monthly highs. In fact, every month except June was substantially above the level of a year earlier.

Most important aspect of the gain in 1970–71 was the fact that all of it occurred in commercial sales for dollars. These alone were as large as the 1967 record for all farm exports—about $6.8 billion—and they surpassed last year's commercial sales by $1.1 billion. Exports under Government-financed programs, on the other hand, were about the same as the $1 billion of 1969–70.

The commercial sales total was assisted by substantial gains in exports under the credit programs of the Commodity Credit Corporation and in barter for offshore procurement. The CCC programs climbed to $391 million in fiscal 1971, almost double the $211 million of the year before. Barter exports shipped under contract for overseas procurement for U.S. agencies reached $830 million in 1970–71, up steeply from the $468 million shipped during the previous year.

Increased volume was responsible for about two-thirds of the overall increase in U.S. agricultural exports in 1970–71. Volume increases were especially noted for soybeans and soybean products, wheat, cotton, inedible tallow, nuts, slaughter cattle, and dairy products under Government-financed programs. Substantial price rises also helped to boost the export value of soybeans and soybean products, feedgrains, wheat, cotton, tobacco, and inedible tallow. Only the average export unit value of rice was lower than a year earlier. Higher prices represented about one-third of the total value gain.

The export total of $7.8 billion required the output of 1 out of every 4 harvested acres in fiscal 1971, or over 70 million acres of U.S. cropland. The foreign market took over half of the rice, wheat, and soybeans produced, nearly two-fifths of the cattle hides, and over one-third of the tallow, tobacco, and cotton. It was also important for a number of minor products, taking, for example, one-fifth of the dry edible beans, lemons, nonfat dry milk, and many other items. Feedgrain exports, too, represented about one-fifth of the sales by U.S. farmers.

Developed countries, mainly Western Europe, Japan, and Canada, increased their purchases of U.S. agricultural products by about one-fifth in fiscal 1971. This accounted for approximately three-fourths of the overall rise in total U.S. agricultural exports. However, the developing countries too bought more agricultural products from the United States. Shipments to these countries—mainly to Korea, Taiwan, and Mexico—were about 14 percent over those of a year ago. Most importantly, this expansion was all in sales for dollars, for exports under Government programs were down slightly.

Exports to Eastern Europe and the Soviet Union also showed a rather marked value gain. They were almost $45 million above last year's $129 million, mostly from larger shipments of grains and of oilseeds and products.

A spur to U.S. exports was the reduction in the 1970 grain production and stocks of the European Community. Total EC grain supplies were down about 8 million tons. The reduction in grain stocks reflects the heavy use of subsidies by the EC to move wheat into domestic feed use and export.

Also important has been the continued expansion of livestock industries in the principal developed markets. For example, in the EC as a whole, production of pork and beef is estimated to be 4 percent larger in 1971 than a year earlier; and in Japan, the numbers of cattle, hogs, and laying hens have all risen steadily for the past 3 years.

The overall growth in our agricultural exports occurred despite some slowdown in the industrial and economic activities of these major markets. In the EC, industrial production rose only about 3 percent in the first half of 1971 (compared with 8 percent in 1970), and in Japan, about 7 percent (it was nearly 20 percent a year earlier).

Grains and preparations showed a 15-percent export advance in fiscal 1971, reaching a total of $2,693 million. Wheat accounted for about three-fourths of the total gain. Wheat shipments for the year totaled 739 million bushels, compared with 606 million a year earlier. Commercial sales accounted for about three-fourths of the total and for all of the gain. Much of the increased commercial movement was due to expanded barter transactions and CCC credit sales.

In the past year, the European Community, Japan, the United Kingdom, Nigeria, Yugoslavia, Romania, Korea, the Republic of China, and Morocco took larger quantities of U.S. wheat, while India, Brazil, and Venezuela took less. Japan was the top single commercial market for U.S. wheat exports, taking over 100 million bushels compared with 88 million a year earlier.

Feedgrain exports totaling 19 million metric tons (excluding products) were about the same in volume as those of a year ago. However, because of substantially higher prices—especially for corn—value showed a 11-percent gain. Feedgrain exports were hampered by the reduction in U.S. corn production caused by blight and unfavorable

weather. In addition, larger supplies than last year were available from other sources, especially Argentina and Australia. The European Community purchased approximately 7 million tons of U.S. feedgrains this year, compared with about 4.7 million tons last year. However, shipments to Japan fell to an even 5 million tons from 6.4 million tons.

Rice exports fell 8 percent to 1,633,000 metric tons from 1,778,000 in 1969–70, reflecting smaller commercial sales to the European Community and other markets. Shipments under Government-financed programs, however, were close to last year's level.

Considerably more competition from Latin American countries was evident in the European market. Because of large supplies, a few Latin American countries resorted to subsidies in moving their rice into export channels.

Oilseeds and products were again a top performer in the expansion of U.S. agricultural exports. Combined, exports of this group grew slightly over one-fifth to a record $2,060 million. The gain for oilseeds and products stemmed from increased demand for both vegetable oil and protein meal.

Japanese in-store demonstration of margarine (soy-based). Japan was top market for U.S. soybeans in fiscal 1971.

Soybean exports reached a new high of 421 million bushels compared with 405 million a year earlier. Exports of meal also reached a new record of 4.5 million tons, 15 percent above the peak of the previous year. Exports of soybean oil, at 1.8 billion pounds, rose more than 600 million, or over 50 percent. In addition, higher prices boosted the value to over 70 percent above the level of a year earlier.

The continued gain in U.S. exports of soybeans and products relates directly to increased prosperity in both developed and nondeveloped countries. This increased prosperity stimulated the demand for meat and other livestock products, requiring more protein feed for the expanding livestock production in these countries.

Important, too, has been lagging foreign production of other oils and of feedgrains. Foreign export availability of key edible oils such as peanut, sunflowerseed, and coconut has been below trend. Also, high grain prices in the European Community have encouraged increased feeding of economically priced U.S. soybean meal. The EC increased its purchases of U.S. soybeans to 155 million bushels, from 140 million in 1969–70. Japan, our largest country market, took 101 million bushels compared with 95 million the year before. Other important markets for U.S. soybeans included Spain, Taiwan, Denmark, Israel, and Britain.

Another major element in the rapid growth of our soybean exports is the fact that most markets for U.S. soybeans are duty free. Finally, exports benefited from the ready availability of U.S. soybeans, from large production and stocks. The United States has expanded its share of world oilseed cake and meal exports to over 55 percent in 1971, from 44 percent in 1965.

Cotton exports, showing a marked improvement in the latter part of the fiscal year, advanced 28 percent to about 3.7 million bales, from 2.9 million a year earlier. With higher prices, the value was 42 percent above the year-earlier level.

The substantive gain in U.S. cotton exports is due to smaller Free World production, especially in Brazil, Mexico, and other developing countries; but this gain was limited by tight U.S. supplies of the types of cotton demanded by foreign mills.

In 1970–71 more U.S. cotton moved to the European Community, Canada, Japan, and other Asian countries. However, cotton exports from all suppliers have been hampered by the rapid expansion in the production and use of manmade fibers.

Tobacco exports gained substantially in the latter part of the year. With a value total of $537 million, unmanufactured tobacco exports remained about the same as a year earlier; but if bulk smoking tobacco is included in the total, the value was $570 million, or about 1 percent higher. In volume, these combined exports were 584 million pounds, only slightly below the 591 million a year earlier.

Cotonnière de Bruges, big Belgian cotton mill. Fiscal 1971 saw a 33-percent gain in U.S. exports of cotton to Europe.

A 20-million-pound drop in exports to the United Kingdom, top country market for U.S. unmanufactured tobacco, partly canceled out gains in exports to West Germany and Japan. The United Kingdom has maintained its stocks of U.S. tobacco at relatively low

(*Continued on page 16*)

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Morocco's Sugar Need Outpaces Production

By DUDLEY G. WILLIAMS
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Morocco has, for nearly a decade, been making a major effort to increase domestic sugar production to reduce its imports. Raw sugar production has jumped from 7,000 metric tons in 1963 to 150,000 tons just 7 years later, and imports have dropped from 318,000 tons (1964–68 average) to 273,000 tons last year.

However, 1970's imports were 27,000 tons greater than the previous year's, so Morocco is certain to step up its drive to close the gap between production and the country's sugar needs.

Partly because of its traditional highly sweetened mint tea and sugary confections, Morocco is one of the world's largest per capita sugar consumers—currently nearly 60 pounds annually—with total consumption ranging from 375,000 to 400,000 metric tons.

Prior to 1963, sugar production in Morocco was practically nonexistent although centuries ago the Agadir region of Morocco—located in the southern part of the country—is supposed to have been one of the sources of supply of cane sugar to the Egyptian court.

Domestic consumption requirements were met by imports, which created a heavy drain on scarce foreign exchange reserves despite sizable imports under bilateral agreements with Cuba and East European countries.

For this reason, in the early 1960's a Government policy emerged designed to reduce Morocco's dependence on imported sugar. It encouraged the development of domestic production and the construction of processing facilities.

Under this program the Government established guaranteed prices for beet growers, made credits available, and set up extension-type projects.

To attract private investment in sugar processing, the Government has offered various inducements including tax and credit incentives, reduced licensing fees, and duty-free imports of capital goods. At the same time, the Government has announced its readiness to invest directly in sugar-producing facilities in an effort to speed development of the country's sugar industry.

The Government established controls on sugar prices at all levels and a compensation fund was created for the protection of the domestic industry. Under provisions of the fund the three raw sugar refineries operating in Morocco are required to pay to the Government a tax on imported sugar equal to the difference between the cost of the locally produced product and lower priced imports. Proceeds from the fund are used for economic development.

The refineries pay up to \$10.90 per hundredweight depending on purity for raw sugar produced in Morocco, while the average landed cost price of imported sugar in 1970 was around \$4.50. Wholesale prices for refined sugar are equivalent to about \$340 per metric ton for granulated and \$370 for sugar cones and cubes. Retail prices range from \$380 to \$385 per ton.

The first officially recorded sugar beet production was in 1963, when an estimated 12,355 acres were planted. The first beet processing plant was completed in the same year at Sidi Slimane in the Gharb region of Morocco—about 50 miles northeast of Rabat.

Since 1963, five additional mills have started operation under joint Government-private financing and two more are under construction. To the present time, the Moroccan Government has made direct investments of \$110 million in the sugar mills and maintains strong management positions in most of them. The mills—all modern installations—were built and equipped by Europeans.

Beet production has increased steadily since 1963, but the rate has not kept up with expanding processing capabilities. The 1970 beet crop reached 1.1 million tons from 84,000 acres, while the crushing capacity of the six existing mills totals just over 1.5 million tons with a sugar potential of around 225,000 tons. Upon completion of the two mills now under construction, total crushing capacity will increase to 2 million tons, enough to crush beets from 148,260 acres. The mills will have a total sugar production potential of 300,000 tons.

The sugar-production plan initially called for 17 sugar mills by 1980 but the total has since been reduced to 15. Emphasis is being given to devising more effective ways to utilize existing facilities, which operate an average of only about 80 days a year.

Concurrent with continued priorities on winter sugar beet production, efforts are underway to develop sugarcane production in some areas, as well as to promote cultivation of summer sugar beets. If these efforts are successful, the introduction of cane and summer beets could lengthen the processing season of Moroccan sugar mills—which can be modified to handle both beets and cane—by 60 days or more.

In view of the Government's determination to utilize existing crushing facilities more efficiently, sugar-bearing crops will compete strongly with other crops for irrigated land and for production inputs. Cotton and rice production have already begun to decline from the pressure of beet production.

Morocco's drive to increase domestic sugar production may have mixed effects on U.S. agricultural trade. As the Moroccan Government diverts emphasis from crops that compete with U.S. exports and concentrates on the production of sugar—a less competitive commodity—U.S. agriculture may benefit to the degree that the diversion is made. With expanded sugar processing, however, exportable supplies of byproducts will increase, and larger quantities of beet molasses, for example, may show up in international markets, including the United States, where it competes with U.S. industrial molasses.

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Japan's Liberalization of Agricultural Imports Tied to Economic Dilemma

By THEODORE R. FREEMAN
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Japan's recent course of more liberal agricultural import policies can be traced in part to an economic dilemma —food prices are rising while agricultural production is declining. In addition, there has been pressure from exporting countries to let the bars down.

Having just completed its second 1971 round of liberalizations of agricultural imports in June, Japan is now headed for the final round scheduled for September. Altogether, the 1971 liberalizations will have removed import quota restrictions from some 39 commodities whose import value exceeded $168 million in 1970.

Some 25 agricultural items remain under quotas, including beef, pulses, citrus juices (except lemon). oranges, tomato products, and canned pineapple.

The latest liberalization package, which became effective June 30, removes import quota restrictions on 15 agricultural commodities, including grapefruit, oilseed cake, sausages, and frozen pineapple. Japan's total imports of the 15 commodities from all sources rose from $45.3 million in 1968 to $74.7 million in 1970. The U.S. share amounted to roughly $12.7 million (c.i.f.) in calendar 1970, escalating from $3.4 million in 1968.

However, the Japanese Government plans to increase tariffs on several items being liberalized—a step that will tend to nullify liberalization. These items include grapefruit, pork, certain pet foods, chewing gum, feeder cattle, and refined vegetable oils.

The tariff proposed for pork, for example, assures a continuation of the present policy of encouraging imports only for the purpose of stabilizing prices of domestic pork. Formulas for computing this duty assure that the price of imported slaughter hogs or pork would never be lower than the midpoint between the Government-established floor and ceiling price, unless the Government waives the duty.

In addition to lifting quota restrictions, the Japanese Government has decided to enlarge the size of quotas for items still on the restricted list. The new higher limitations will apply to ham, bacon, pulses, oranges, processed cheese, and tomato ketchup.

Continued publicity on existing trade barriers has overshadowed the apparent improvement in Japan's attitude towards more liberal policies in agricultural products. Moreover, steps taken thus far point to fewer import restrictions in the future, making prospects for U.S. exports of food products to Japan unusually bright in light of strong consumer demand.

Paradoxically, Japan has become an industrial giant among world powers while its agricultural sector has remained rather inefficient. Japan's total exports in Japanese fiscal year 1970 reached an alltime high of $21.2 billion, representing an increase of 20.6 percent over the previous year. This rate is expected to rise even further in the future. On the strength of such brisk exports, Japan's international balance of payments recorded a favorable balance of $2 billion.

Growing resistance to export expansion from Japan's trading partners, including the United States, has prompted Japan to propose a new trade policy which will focus on increasing imports, as well as more orderly marketing of exports.

The shift in policy has not been an overnight development. In early 1970, the Government began to study ways to switch to more orderly marketing of exports. The ultimate aim apparently is to establish a warning system which would alert Japanese exporters to slow down shipments should they reach levels likely to create friction with importing countries.

Also, about the same time, an emergency meeting of Cabinet Ministers was convened to consider the problem of rising consumer prices. The Ministers agreed to speed up Kennedy Round tariff reductions (8 months ahead of schedule), improve the marketing system of certain commodities, and increase imports of unliberalized items for which imports comprised less than 2 percent of total consumption.

The Economic Planning Commission and the Economic Planning Agency also began to press for increased imports of several commodities. Sentiment for easing restraints on imports grew subsequently. By mid-1971, the Government decided to permit imports of restricted items up to 3 percent of consumption and also expand the size of quotas on those commodities for which imports already exceed 3 percent of consumption.

The more liberal attitude on imports that evolved over the past year or so was prompted to a great extent by concern over the growing disparity between industry and agriculture.

While general economic growth has continued a steady upward trend, the decline of agricultural efficiency was signaled as early as 1967, when the value of farm production increased by 17.5 percent while actual output was only 9 percent above the prevous year. Comparative productivity in agriculture began to decline in 1967 and dipped to 34.1 percent of the nonagricultural sector by 1969. Although average farm size remained static at about 2.5 acres, average farm income increased by 74.2 percent over the past 10 years.

Higher support prices for rice kept farm incomes and rice production moving upward in the face of declining demand. Per capita consumption of rice began to decline in 1962, but production continued upward through 1967, resulting in a large surplus of rice and a growing shortage of other foods. Disposal of 7.2 million tons of surplus rice is now the Government's top priority problem, but it is followed closely by attempts to stem rising food prices.

The failure of Japanese agriculture to adjust to shifting demand patterns has now become critical. It appears quite evident that future adjustments in agriculture will be gradual, while the shift in food demand from rice to other food crops will be more pressing.

Japan has maintained rather restrictive import policies on a wide variety of imported food products, although sustained growth in consumer purchasing power and changes in eating habits have outpaced its ability to produce many of the foods now in demand.

The restrictive policies were enforced in the past to protect the large number of small farmers from foreign competition. This problem is less pressing now that Japanese farmers earn 60 percent of their income from off-farm jobs and only 15 percent of them farm full-time.

Recognizing recent changes, the Government's "White Paper" on the Japanese economy for 1970 differed from previous evaluations of the farm economy by stressing the need to encourage small and part-time farmers to leave farming.

The already strong demand for labor-intensive agricultural products, such as vegetables, will be aggravated by the declining farm labor force. In the future, total agricultural production will not be nearly as important as the composition of what is produced. Peak pressure will be placed on fruits, vegetables, and livestock products.

Although consumption is still small on a per capita basis, the rise in consumption of meat and poultry over the past few years was made possible by dramatic growth in domestic production. On the other hand, consumption of vegetables fell off in 1969 as domestic production faltered and prices rose inordinately.

Despite lagging vegetable production, prices were forced up by the lack of efficiency in the distribution system.

Prices are set on the basis of the vegetables actually shipped into the Tokyo market and do not reflect the large volume of vegetables still available on farms. The present bidding system, being conducive to large wholesale margins, has created the phenomenon of high retail prices and low producer prices for vegetables. Decentralization and direct buying by large supermarkets are now being recognized as ways of easing the upward price spiral.

In the meantime, the consumer price index continues to soar. So much so that about one-half of the increase in wages has been offset by rising consumer prices. The 7.3 percent rise of the consumer index during Japanese fiscal year 1970 was the sharpest since 1964 and came on the heels of a previous high rise of 6.4 percent recorded the previous year. The 1970 index rose by 6.3 percent when seasonal products such as vegetables and fresh fish were excluded. During the period of 1965–70, the food price index increased at a faster pace than the composite consumer index. Thus, the fact that Japanese agriculture has not kept pace with the rise in food demand can no longer be taken lightly.

In the past, Japan's economic policy emphasized rapid economic growth along with improvements in income. Therefore, up until 1969, consumer action groups remained rather latent and had little impact on food merchandising practices. However, the populace is gradually turning attention to the qualitative aspects of foods, along with such issues as environmental pollution and price increases. This change in attitude suggests that new value judgements are emerging and emphasis must be shifted from the sheer volume of agricultural production to quality of production and specific needs of consumers.

Japan: Agricultural Liberalizations, 1971

January

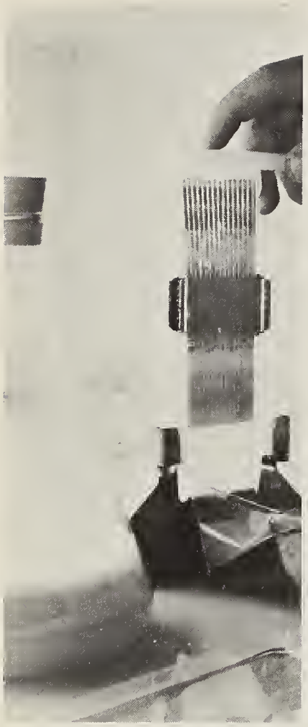
Grapes (Vitis vinifera), fresh
Scallops, smoked
Cake mixes
Macaroni, spaghetti, vermicelli, and noodles
Prepared cereal foods
Whiskey (excluding Bourbon)

June

Live horses
Grapefruit, fresh
Apples, fresh
Pineapples, frozen (not containing added sugar)
Limes, grapes, and apples, provisionally preserved
Black tea
Kao-liang and other grain sorghums
Ground nuts, rapeseed, mustard seed (for crushing)
Vegetable oil (including soybean oil, etc.)
Sausages
Chewing gum
Pineapples, frozen (containing added sugar)
Bases for beverages, nonalcoholic lemonade, etc. (excluding nectars)
Soybean cake, rapeseed cake, mustardseed cake

September (proposed)

Live animals of the bovine species
Live swine
Meat and offals of pigs, fresh, chilled, or frozen
Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes, and other roots
Flour and meal of sago, manioc, arrowroot, salep, etc.
Molasses
Sugar, confectionery (candies, etc.)
Flavored or colored sugars, syrups, and molasses
Chocolate confectionery and other food preparations containing cocoa and sugar
Biscuits, cookies, and crackers
Mashed potatoes and potato flakes
Canned sweet corn
Nectar
Ethyl alcohol and denatured spirits
Flours and meals of fish, residues of fish
Menthol
Peppermint oil and crude peppermint oil
Dextrins and dextrin glues; soluble or roasted starches; starch glues



U.S. Gets Fi
Frozen Semen

The flight of several containers of frozen bull semen from Switzerland to the United States on June 14 was the first of what could be a growing volume of shipments not only from Switzerland but also from other countries working on similar projects. The semen, shipped in liquid nitrogen containers, was collected from Swiss Simmenthal and Brown Swiss bulls that had previously undergone a complicated quarantine arrangement.

Until recently, U.S. regulations did not allow for direct import of either semen or cattle from countries not recognized as free from foot-and-mouth disease. In 1965 USDA amended its regulations to permit the importation of

Swiss Switch Agricultural

Swiss agriculture has undergone many changes in the past several years. Perhaps most significant has been the trend away from the traditional dairy production—which has been a surplus industry—to beef.

The Government has initiated a number of moves, primary among them a cow elimination program to reduce milk cow herds by granting farmers special premiums for dairy cows slaughtered for the production of beef.

To encourage feeding cattle for beef, feedgrain production has been subsidized. In addition, the Swiss Federal Council in both October and November 1970 reduced import charges on certain feedgrains, including food and feed barley, hay, oilcakes, and pomace. This reduction of charges 1 month after they were first reviewed is not usual. It was made in view of the reduction of the EC barley export subsidy and high oilcake prices.

The Swiss cattle herd was at an alltime high of 1.9 million head in mid-1970. Although this was a 45,000-head increase over the year before, only 22 percent were dairy cattle. Of these only 901,000 were milk cows, down from 907,900 the previous year because of the cow elimination program.

During 1970, 194,400 cows were slaughtered, 20,000 more than in 1969. The number of replacement heifers and cows slaughtered indicates that not only old or unproductive cows were slaughtered but also young cows after their first calves. In January 1971, 20,400 cows were slaughtered, up from 15,600 slaughtered in the same month of 1970.

Throughout 1970, the number of milk cows was further reduced, and the total volume of marketed milk was stabilized below the limit set by the Government. Stocks of butter (3,490 metric tons) and nonfat dry milk (497 tons) were at a normal level, but cheese stocks (11,000 tons)—especially grinder—were low. The Cheese Union had trouble meeting processor requirements.

The production of cow milk was reduced during calendar 1970 by approximately 1.2 percent to 3.1 million metric tons. While this decrease is smaller than the decrease observed in 1969, it nevertheless met the goals set by Government planners. The quantity of milk which went through the marketing channels was reduced similarly.

The balance of trade for dairy products, expressed in milk equivalents was negative in 1970. In 1969, exports exceeded imports by 70 metric tons; in 1970, imports exceeded exports by 12.8 tons. This resulted from large imports of butter and cheese that were not offset by the increase in cheese exports.

Although the general trend has been toward decreased dairy production, in early spring 1971, the Swiss Federal Council increased some dairy prices. The dairy herd was at the desired, man-

hipment of
n Switzerland

bull semen from countries having foot-and-mouth disease, provided that the bull and the semen collection were handled in a manner which would insure the absence of any pathogenic germs.

To comply with the above regulations the Swiss raised young bulls in a quarantine station where they were supervised and tested by a U.S. veterinarian. The semen was tested again upon arrival in the United States before it was released for use.

Participating in the effort were the Commission for Swiss Cattle Breeders Federation, the Swiss Association for Artificial Insemination, the Swiss Federal Veterinary Office, USDA, and the American Simmenthal Association.

Clockwise on far left: Diluted semen put in tubes; Swiss Simmenthal bulls quarantined as semen donors; tubes of frozen semen counted and checked for packing; Swiss officials (l.) put tubes in low-temperature container; U.S. and Swiss officials, above, see loading at airport.

hasis From Dairy to Beef

ageable size, and Swiss farmers were clamoring for an increase in prices.

The price for liquid milk was increased slightly. The supplement paid on milk used for cheese manufacture was also increased somewhat. At the same time, prices for some other commodities were also raised. The price for breadgrain was increased by \$4.60 to \$9.20 per metric ton.

The milk price increase will tend to boost the feeding of grains and oilcakes to dairy cattle, and thus milk production will again increase. However, as soon as the danger of milk surpluses reappears, the supplementary import charges for feedgrains will be increased. These import charges are a tool for guiding domestic milk production to avoid surpluses; they are not a protection for domestic feedgrain production.

Meanwhile, the Swiss Government pays farmers who plant feedgrains high subsidies based on acreage—\$162 per acre. As a result, in 1971, acreage is estimated to be up 12,355 acres from the 1970 figure of 158,000 acres. Area in 1970, in turn, was approximately 20,000 acres higher than that in 1969. Of the feedgrain acreage, land planted to corn and barley has been rising substantially, while land in oats and other feedgrains has been reduced.

Feedgrain production has increased steadily, going from 174,600 metric tons in 1968 to 213,000 tons in 1969 to 232,000 tons in 1970.

Despite the trend away from dairy production, gross earnings from dairy production in recent years have remained at about one-third of the overall income from agriculture. Within the livestock sector, dairy farming is still the mainstay of farmer income.

The Swiss Government plans to again reduce the number of milk cows in 1971, and efforts to increase beef production will continue. While milk will continue to be one of the main concerns of Swiss agricultural policies, measures to encourage farmers to divert their operations from milk production to other branches of agriculture will continue to be Government policy.

Left, Brown Swiss cattle in the high Alps. These cows are good producers of both dairy products and beef. Right, corn growing in Soglio, Switzerland.

Peru's 1970-71 Cotton Crop Up, Exports Fall Below Last Year's

Peru's 1970–71 cotton crop is estimated at 395,000 bales (480 lb. net), slightly above last year's 390,000 bales, which represented Peru's smallest crop since 1949–50. The production increase this year is due to a 23-percent increase in production of extra-long staple cotton (mainly Pima) that more than offset a 9-percent drop in Tanguis production. Current Tanguis production is about 230,000 bales and extra-long staple cotton should approximate 165,000 bales.

Acreage planted to cotton in 1970–71 is estimated at 380,000 acres, a reduction of almost 40,000 acres, continuing the downward trend of the past several years. Cotton acreage has fallen by almost 45 percent since 1962 and by more than 25 percent since the 1967–68 season. Reduced acreage due to relatively lower prices and drought in the Department of Ica (the principal Tanguis region) accounted for a major portion of this year's drop.

Additional reductions in the areas surrounding Lima were caused by a Government decree in May 1970 requiring the transfer of land in cash crops to food crops, fruits, or pasturage, although ratoon (perennial) cotton is still permitted. Some acreage in the Chira valley has been shifted to rice.

A June 1969 Agrarian Reform Law in Peru made all coastal farms larger than 375–500 acres subject to expropriation by the State for transfer to qualified peasants. In March 1970 314,000 acres of land in the Piura extra-long staple region were affected, but not all of this land was planted in cotton. Expropriations have continued in the Department of Piura and the Department of Ica.

In February 1971 the Government granted a loan of about $19 million to the new owners of some 12,000 acres (7,000 acres in cotton) in the Piura and Chira valleys. A Yugoslav company will finance and execute the $63-million Chira-Piura irrigation project which should provide water for about 350,000 acres.

In 1970 the Government approved the formation of a Foundation for the Development of Cotton (FUNDEAL) to improve cotton quality and yield, and to conduct marketing research.

Exports of cotton in the current season are placed at 300,000 bales, 13 percent below last year's 344,000 bales. The reduction in exports reflects a substantial diversion of cotton, mainly Tanguis, to domestic consumption. The 1969–70 and 1970–71 increases in cotton consumption (25 percent above the 1968–69 level) were due in large part to prohibitions on certain textile imports, the control of contraband imports, economic recovery since the serious 1967 depression, and higher domestic liquidity.

Substantial domestic mill demand for Peruvian Tanguis in the January-June 1971 period has helped to maintain Tanguis prices at a level about 23 percent higher than comparable prices last year. Prices for Tanguis in September 1970 also averaged 18 percent higher than the depressed 1968–69 prices. Reductions in production and in stocks since 1968 have also contributed to the consistent price rise.

PERU'S COTTON EXPORTS

Major Destinations	1969-70 [1]	1970-71 [2]
	1,000 bales [3]	*1,000 bales* [3]
West Germany	51	30
Argentina	33	21
United Kingdom	24	18
France	29	16
Switzerland	20	16
Netherlands	33	14
India	4	13
Chile	40	11
Italy	21	9
Belgium	27	8
United States	6	7
Denmark	11	6

[1] Year beginning August 1. [2] August-April. [3] 480 lb. net.

Newcastle Threat Halts U.S. Poultry And Egg Imports From 16 Countries

The U.S. Department of Agriculture has stopped issuing entry permits for poultry or eggs for hatching from countries where outbreaks of Newcastle disease—a viral disease of poultry and other birds—have reached high levels. USDA has consulted with the other Federal agencies responsible for the importation of birds that are not included in Agriculture regulations. Presently, such regulations include only the avian orders of Anseriformes, Galliformes, and Columbiformes.

Newcastle disease is widespread in Europe, South America, Central America, Asia, and Africa. Countries for which entry permits are no longer being issued include:. France, Greece, Hong Kong, India, Iran, Israel, Korea, Lebanon, Mexico, the Netherlands, Poland, Russia, Great Britain, Venezuela, West Germany, and Yugoslavia.

The disease is not widespread in the United States, according to animal health officials of the Agricultural Research Service (ARS). The officials say, however, that if the disease should reach epidemic status, the result could be as disastrous to the multibillion-dollar U.S. poultry industry as it is in countries which are now being confronted with the disease.

During the past few months, the disease has been diagnosed in Florida, New York, Texas, and New Mexico. The outbreak in Florida has been thoroughly investigated. No problems have developed from that contamination. In August 1970, all birds of South American origin in a New York City pet shop died of a virulent strain of Newcastle disease not previously seen in the United States. Early in 1971 there were known outbreaks of this strain in Texas and New Mexico in layer flocks. In these two States there is evidence to suggest that the virus is still active.

ARS officials say it is important for poultrymen to reevaluate their vaccination programs They point out that the licensed vaccines are effective when properly used.

Poultrymen are advised that additional steps can be taken to prevent Newcastle disease from infecting their flocks. These are: 1) Excluding visitors; 2) changing clothes and disinfecting footwear of all individuals moving from premise to premise; 3) obtaining replacement stock from reliable sources; 4) cleaning and disinfecting trucks or crates used to transport birds; 5) proper disposal of dead birds; 6) cleaning and disinfecting feed sacks before reuse; and 7) replacement of litter that has been contaminated.

International Wheat Agreement Ratified by United States

President Richard Nixon has ratified the two conventions of the International Wheat Agreement following approval by the Senate on July 12, 1971. The Senate in approving the Agreement also passed a resolution stating: "That it is the sense of the Senate that the President should request the International Wheat Council, at the earliest practicable date, to request the Secretary General of UNCTAD (United Nations Conference on Trade and Development) to convene a negotiating conference as provided in article 21 of the International Wheat Agreement, concluded at Geneva on February 20, 1971, with a view toward the negotiation of suitable provisions relating to the prices of wheat and to the rights and obligations of members in respect to international trade in wheat." The resolution is consistent with article 21 of the Wheat Trade Convention.

The International Wheat Agreement provides for cooperation between nations engaging in wheat trade and furnishes food aid to developing countries. It will remain in force for 3 years.

This new accord is the result of negotiations between the United States and the representatives of 51 other nations that were concluded on February 20. The latest in a series of treaties beginning with the first International Wheat Agreement in 1949, it replaces the International Grains Arrangement which expired June 30, 1971.

The new Agreement contains two conventions and a common preamble. First is the Wheat Trade Convention which retains the International Wheat Council that was created by other agreements, as well as most of the rest of the cooperative structure that was already in existence. It provides for continuing the Wheat Council Secretariat and the Executive Committee and for the continued reporting of export data and other relevant information.

It also creates a new Advisory Subcommittee on Market Conditions. This subcommittee of government experts is designed to keep the world wheat market under constant review and to assist the Executive Committee and the Council in dealing with market instability.

Secondly, under the Food Aid Convention nine donors have pledged to provide a total of 3.9 million tons of wheat or other grain suitable for food use each year for 3 years to less developed countries. It also provides for consultation and cooperation in food aid and continues the Food Aid Committee to oversee the Convention's operation.

The U.S. donation amounts to 1,890,000 metric tons of edible grain each year during the course of the Agreement. The United States is to provide this to needy countries on concessional terms, including donations, sales for nonconvertible currencies, and sales on long-term credit. This grain is made available under P.L. 480.

Secretary of Agriculture Clifford M. Hardin signed the two conventions of the new Agreement for the United States Government on April 14. Ratification by the United States completes the steps needed for membership in the Wheat Trade Convention. Thirty-eight other countries have also deposited instruments of accesson, provisional application, or ratification. Nine countries, including the United States, have ratified or provisionally applied the Food Aid Convention, which includes only donor countries.

Members of the Agreement have accounted for 80 to 85 percent of the wheat traded in world markets in recent years. With the addition of the Soviet Union, a new member, this figure will rise to over 90 percent.

African Swine Fever Spreads to Cuba

For the first time in history, the most deadly of all foreign diseases of swine —African swine fever (ASF)—has invaded the Western Hemisphere. The highly contagious disease, which does not affect other animals or humans, has been found in Cuba. Established for years in eastern and southern Africa, ASF spread to Portugal in 1957 and to Spain in 1960.

According to latest reports, 30,000 hogs have already been slaughtered in Havana and Pinar del Rio Provinces. Animal health officials of USDA's Agricultural Research Service at all ports of entry throughout the country have been alerted.

USDA is asking all hog producers to call animal health officials immediately if signs of the disease appear. It is urgent that all States give extra effort to enforcement of garbage-cooking laws.

Inspectors will give especially close attention to imported processed meats, clothing, footwear, and equipment coming into this country from abroad. These actions reinforce already stringent U.S. restrictions against pork and pork products from any country where the disease is known to exist.

Plans for a U.S. emergency eradication program have been developed. ARS officials say that the States and USDA are prepared to begin joint procedures immediately if an outbreak in the United States is confirmed.

ASF spreads rapidly, like virulent forms of hog cholera, and despite years of experimentation, efforts to produce a vaccine have been unsuccessful.

International Raisin Agreement Ended

The International Raisin Agreement between Turkey, Greece, and Australia which has existed since 1963 was abolished at a meeting held in London on June 7–11, 1971. The three countries account for almost two-thirds of total world raisin exports.

This last meeting was held to seek ways to continue the Agreement, but the members could find no formula that would resolve the problems of countries with large surpluses.

At the meeting, the Turkish delegation claimed that the Agreement as constituted had worked against their country's interests. Turkish producers felt that ending the Agreement would allow them to export more competitively.

While termination was being considered, a proposal was offered by the Secretariat asking for a 1-year suspension to assess the advantages and disadvantages of continuing the Agreement. The Turkish delegation did not approve this proposal, saying that it needed to consult its Government. This resulted in the termination of the Agreement with little hope for its renewal under present circumstances.

Secretary Hardin at Kinshasa Fair.

Secretary Hardin Visits Africa

Secretary of Agriculture Clifford M. Hardin recently completed a 10-day trip to Africa where he discussed agricultural trade and development with officials in Morocco, Tunisia, Democratic Republic of the Congo, and Liberia. His visit to the Congo and Liberia was the first by an American Secretary of Agriculture to any part of Africa below the Sahara.

While in the Congo, Secretary Hardin headed the official U.S. delegation to the Second International Trade Fair at Kinshasa and spoke at special "American Day" ceremonies held at the Fair on July 4. He also visited the U.S. agricultural exhibit where the U.S. Rice Council, Bulgur Associates, Millers' National Federation and several U.S. processed food firms had products on display. The United States was one of 50 countries participating in the Fair.

U.S. exports to the Democratic Republic of the Congo were valued at $62 million in 1970. Agricultural products accounted for $7.3 million of this total and consisted largely of tobacco and wheat flour. Belgium and other EC countries along with South Africa continue to be the Congo's principal suppliers of food.

P.L. 480 dollar credit sales agreements signed by the United States with the Congo since 1966 have generated more than $24 million worth of local currency for economic development.

In Tunisia, Secretary Hardin helped to dedicate a major dam and water distribution project on the Nebhana River near Tunis which was partially financed by the U.S. Agency for International Development. In his dedication speech Secretary Hardin said that there should be a burgeoning of agricultural development along the 125-mile course of the new pipeline, and that the character of agriculture along the new life line would be changed by the well fields and large reservoir.

The Secretary also visited the Chott Marie agricultural school near Sousse on the Mediterranean coast. The school and surrounding irrigation area were developed with U.S. assistance.

Both Tunisia and Morocco are small but growing dollar markets for U.S. farm products, and also receive shipments under P.L. 480—mostly wheat, cotton, and vegetable oils. In 1970 Tunisia imported about $27 million in U.S. farm products, and Morocco took $64 million worth.

Liberia is also a P.L. 480 recipient, primarily of rice, taking about $12 million in total farm imports from the United States last year. In addition, the Government of Liberia is cooperating with the U.S. Department of Agriculture in a project to improve economic planning in Monrovia.

Secretary Hardin also stopped in Spain and met with agricultural officials to discuss Spain's future trading relationships with the United States. Spain is a former P.L. 480 recipient, and now a commercial dollar market for U.S. farm products estimated at $170 million in the fiscal year just ended.

Austrian Chains Feature U.S. Foods

The first promotion of U.S. foods in Austria at the retail level took place this spring and early summer with "America Week" point-of-purchase promotions in three of the leading retail food chains —Julius Meinl, Konsum, and A&O.

Some 2,136 stores participated in the promotion, featuring over 20 different U.S. food products, many of which were not formerly available to Austrian consumers. Items on display included fruit cocktail, canned peaches, canned pears, canned pineapples, dried prunes, raisins, canned corn, cocktail onions, tomato catsup, orange juice, grapefruit juice, whole turkeys, turkey thighs, chicken parts, almonds, dried figs, canned cherries, barbecue sauce, and popcorn.

One of the participating firms reported turnover of California raisins had increased 320 percent, dried prunes 300 percent, and orange juice 70 percent. Although final results of the promotions are not yet available, sales are estimated to have increased some 40 percent during the promotion.

"America Week" promotions were jointly sponsored by USDA, the three Austrian store groups, the California Cling Peach Advisory Board, the Rice Council for Market Development, Institute of American Poultry Industries, the California Raisin Advisory Board, and a number of U.S. food firms.

U.S. food promotion in Austria.

Demand for Quality U.S. Tobacco In Japan At New High

Japan, the third largest foreign market for U.S. tobacco, imported a record amount of U.S. leaf in 1970 as a result of increased consumption and a decline in domestic production. Sales of cigarettes increased rapidly—creating a strong demand for high-flavored U.S. flue-cured leaf.

The production and sale of tobacco products in Japan is a Government monopoly controlled by the Japan Monopoly Corporation (JMC) which owns about 40 cigarette factories throughout the country. Although it has no competition, the JMC functions very much like private industry in the United States by promoting sales.

The JMC not only has responsibility for selling cigarettes but, as a Government agency, responsibility for promoting public welfare. This is apparent in the proposals made by the JMC in March 1971 to deal with the smoking and health issue.

The very moderate restrictions proposed are much less stringent than the ones under which U.S. industry is currently operating. If, as expected, they are adopted by the Finance Ministry, they will require publishing of tar and nicotine content (already being done) but will not require a warning statement or any restrictions on advertising.

Sales of cigarettes in Japan have not been greatly affected by the smoking and health issue. The most notable impact came in 1968 when the results of a U.S. Public Health Service Report were publicized in Japan. That year cigarette sales experienced only a very moderate increase of 2.6 percent, but that was probably due as much to a 19-percent rise in cigarette prices as to any public concern over smoking.

In 1968, however, the number of Japanese male smokers did decline 3.8 percent while 2.3 percent fewer women smoked, and sales of filter-tipped cigarettes rose rapidly to reach 82.7 percent of all cigarettes sold. Since 1968 the incidence of smoking in Japan has not dropped significantly—it has even increased slightly among Japanese women. In 1970, 77.5 percent of Japanese men and 15.6 percent of Japanese women smoked.

The slight decline in the number of smokers has not resulted in decreased sales because of increased consumption among smokers. The average annual per capita consumption of cigarettes in 1970 was 2,120—6 a day for every Japanese man, woman, and child—up from 2,040 in 1969. Total consumption has continued to grow and reached 219.6 billion pieces in 1970—up 5.4 percent from the year before.

One noticeable trend is the switch to milder, filter-tipped cigarettes. In 1970, 90 percent of all cigarettes sold in Japan were filter-tipped, and this is expected to reach 94 percent in 1971.

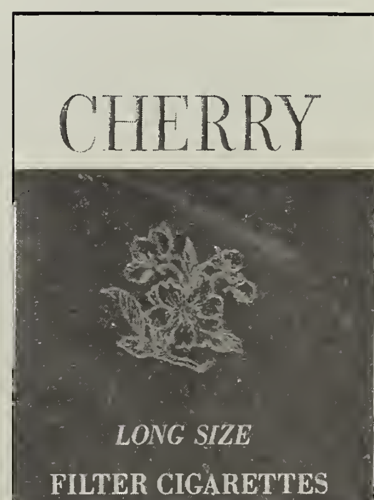
Like the American tobacco industry, the JMC continues to introduce new brands with ever-lower tar and nicotine content. This has cut into the sales of "Hi-Lite," the most popular brand in Japan and possibly the largest selling brand in the world. "Hi-Lite" accounted for 49 percent of Japanese cigarette sales in 1969 but only 45 percent in 1970. One new low-tar, low-nicotine brand, "Cherry," introduced in 1969, has already captured 8 percent of the market.

The rising demand for high-quality cigarettes has greatly encouraged imports of U.S. tobacco. This is particularly true since Japanese production of flue-cured tobacco has declined steadily in the last few years. Total tobacco production in 1970, at 150,415 metric tons, was 13.5 percent lower than the year before and 28 percent lower than the near-record 1967 production.

Since many of the newer brands, including "Cherry," contain U.S. tobacco, the share of U.S. leaf in Japanese tobacco products continues to increase. In 1964, 65.6 billion cigarettes, or 40.2 percent of all cigarettes sold, contained some U.S. tobacco. In 1970 this had risen to 150 billion or 68.3 percent. Of total tobacco imports of 43,306 metric tons in 1970, the United States accounted for 68.6 percent—compared with 63.6 percent of 33,176 metric tons in 1969.

Since the JMC is a Government monopoly, duties on imports of tobacco products are not levied, but there are import quotas based on the JMC's estimate of its requirements for the coming year. Japan carries on a small export trade in tobacco—shipping 6,508 metric tons in 1970. West Germany (taking 67.4 percent) and the Ryukyus (19.2 percent) were the major markets.

In 1971 cigarette sales are expected to increase by 5.5 percent but the JMC intends to increase production by only 3 percent to reduce its stocks. However, domestic production of flue-cured is expected to decline once more, and the continuing strong demand for high-flavored tobacco could cause imports of U.S. tobacco to increase by as much as 15 percent.



CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 28	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	1.93	−1	1.95
USSR SKS-14	1.88	0	(1)
Australian FAQ	1.77	−1	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.88	−3	1.93
15 percent	1.93	−3	1.95
U.S. No. 2 Hard Winter:			
13.5 percent	1.83	−1	1.82
No. 3 Hard Amber Durum	1.79	−1	1.83
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.69	−5	1.67
Feedgrains:			
U.S. No. 3 Yellow corn	1.65	0	1.64
Argentine Plate corn	1.77	−2	1.76
U.S. No. 2 sorghum	1.59	+2	1.51
Argentine-Granifero sorghum	1.63	+3	1.54
U.S. No. 3 Feed barley	1.20	−2	1.10
Soybeans:			
U.S. No. 2 Yellow	3.66	−10	3.32
EC import levies:			
Wheat	1.44	+3	1.42
Corn [2]	.76	−5	.71
Sorghum [2]	.88	−2	.80

[1] Not quoted. [2] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. Note: Basis—30- to 60-day delivery.

Sugar and Tropical Products

India's Pepper Exports Up

India's exports of black pepper in 1970 totaled 19,657 metric tons, up 13 percent from 1969 shipments of 17,406 tons. The larger exports were primarily due to increased shipments to the United States, which more than doubled to 4,297 tons. The USSR remained India's largest customer, taking 7,133 tons or slightly more than the 7,032 tons during the preceding year.

India's 1970-71 (November-October) pepper crop is now estimated at 30,000 tons, down slightly from the 1969-70 crop of 32,000 tons.

Civil Unrest Dampens Pakistani Jute Trade

Pakistan's total exports of raw jute and jute manufactures during fiscal 1971 amounted to $237 million, a decline of over 25 percent from a year earlier. A marked decrease in fiber production is expected in the crop year that is now starting. However, carryover stocks are reported to be unusually high and are adequate to meet demand, because domestic mill consumption has been sharply reduced since the outbreak of civil strife in March.

Fats, Oils, and Oilseeds

Canadians Plant More Rape, Less Flax

Preliminary estimates of oilseed acreages in Canada indicate that an additional 1.4 million acres will be planted to rapeseed but 1.35 million acres less to flaxseed in 1971, compared with 1970.

According to a report released on July 14 by the Dominion Bureau of Statistics, the rapeseed area reached 5.35 million acres, an increase of 35 percent from the 3.95 million acres of 1970. Acreage in the Prairie Provinces, where all the rapeseed is grown, increased as follows: Manitoba, 200,000 acres; Saskatchewan, 500,000 acres; and Alberta, 700,000 acres.

The flaxseed area is expected to total 2 million acres, a decline of 40 percent from the 3.35 million acres planted last year. The decline was divided among the Provinces as follows: Manitoba, 580,000 acres; Saskatchewan, 470,000 acres; and Alberta, 300,000 acres. The report of July 14 was confined to the Prairie Provinces, but this includes all but a fraction of the total flaxseed acreage in Canada.

World Sunflowerseed Crop Down

In 1971, sunflowerseed oil production—largely from last year's harvest—in the major producing and exporting countries (the Soviet Union, Romania, Bulgaria, Argentina, and Yugoslavia) is estimated at 3.1 million tons, down 0.3 million from 1970. This is the third consecutive year of decline. The decline reflected below-average crop yields last year, which more than offset a 2-percent increase in acreage in the major producing and exporting countries.

As a result of reduced sunflower availabilities, exports of sunflowerseed and oil in 1971 are expected to decline by 160,000 metric tons, the oil equivalent of over 33 million bushels of soybeans. In 1970, similarly, exports had declined by 200,000 metric tons, the equivalent of nearly 42 million bushels of soybeans.

Preliminary data indicate that 1971 sunflowerseed produc-

tion in the Northern Hemisphere may increase, because of some further increase in acreage and some recovery in yields.

For further detail see *Foreign Agricultural Production and Trade, Statistical Report,* July 1971.

West Malaysia's Palm Oil Exports Expand

Palm oil exports from West Malaysia during January-May this year amounted to 197,600 metric tons, compared with 133,100 tons for the same months in 1970. Production during the same 5-month period was 196,300 tons this year compared to 140,400 tons in 1970. Palm oil stocks on May 31 were 45,600 tons—28,500 tons more than a year ago.

If the current rate of expansion continues, West Malaysia's palm oil production may reach 550,000 tons in 1971. Because domestic consumption is small, about 10,000 tons annually, exports could amount to 540,000 tons if there is no change in stocks. Total exports in 1970 amounted to 370,000 tons.

Production of palm kernel oil has also increased, but most of this has been consumed domestically.

Fruits, Nuts, and Vegetables

West German Import Tender for Orchids

West Germany recently announced a tender for imports of fresh-cut orchids from all but Communist countries.

Applications for import licenses can be made until an undisclosed value limit is reached but not later than June 29, 1972. Licenses issued will be valid until June 30, 1972. The first day of customs clearance was July 1, 1971. Country of purchase and country of origin must be the same. European Community quality standards and the German plant protection regulation must be observed.

Dairy and Poultry

Storms Damage Chile's Poultry Industry

The National Poultry Commission of Chile reports the country's poultry industry was severely damaged by recent snow, rain, and wind storms. As a result, it is estimated that 10 to 15 percent of Chile's broilers and layers were lost. Reportedly, egg production during the next three months could be as much as 35 percent below normal. Along with the substantial loss of layers, there are also indications that the rate of lay for the remainder of the laying flock will be adversely affected until damaged housing, electric, and water facilities are repaired.

Representatives of the poultry industry have held a series of meetings with the Minister of Agriculture and other Government officials to devise measures for restoring the industry to normal operation. Until then, it is reported that eggs must be imported for consumption and hatching purposes.

There are also indications that additional poultry meat will have to be imported. The trade recently reported that 900 metric tons of broilers were being purchased from France for arrival in Chile beginning in July. Of this total, 800 tons were to be priced at 26.15 cents per pound, c.i.f., and the remainder at 26.72 cents per pound, c.i.f.

French Poultry Exports Increase

French exports of almost all poultry products increased in 1970. Exports of poultry meat in 1970 were 28,089 tons, compared with 15,987 tons in 1969. Exports to the Soviet Union accounted for most of the increase, reaching 11,072 tons or 40 percent of total foreign sales. The poultry trade in France feels that the Soviet Union might make additional purchases of broiler meat in 1971.

Shell egg exports totaled 66.9 million last year—up 25 percent over 1969. More than half of these exports went to Germany and about 30 percent to Switzerland. Exports of liquid and frozen yolks in 1970, at 3,335 tons, were slightly lower than in 1969. Italy, which imported 1,710 tons, was the principal market.

France gained greater access to the Japanese market when import restrictions were lifted in June 1970. Frozen whole egg exports increased from 501 tons in 1969 to 2,683 tons in 1970, with Japan taking about 70 percent of the 1970 total. Albumin exports, mostly in dried form, were down in 1970 to 774 tons, with most sales to the Netherlands and Italy.

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Correction: Production section of table in "Argentine Grain Exports", *Foreign Agriculture,* July 19, 1971, page 3, should read as follows:

Grain	Production 1968-69	1969-70[1]	1970-71[2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Total wheat[3]	5,740	7,020	4,215
(Durum)	475	760	475
Total barley, oats, rye[3]	1,406	1,372	848
Corn[4]	6,860	9,360	9,900
Grain sorghum[4]	2,484	3,820	4,800
Milled rice[4]	242	285	210

[1] Provisional. [2] Forecast. [3] December-November. [4] April-March.

U.S. Farm Exports, Fiscal 1971

(Continued from page 4)

levels this year and has also purchased more tobacco from other areas, mainly India, Mainland China, and Korea.

Animals and animal products reached a $915-million export total (a gain of 13 percent), mostly owing to increases of 31 percent for total fats, oils, and greases (mainly inedible tallow) and 20 percent for dairy products (mainly nonfat dry milk under Government-financed programs). The value of meat and poultry shipments was unchanged, but that of exports of hides and skins was off 8 percent. However, exports of U.S. slaughter cattle to Canada increased substantively in the past year, in part because Canada, which is increasing its herds, offered limited cattle numbers for slaughter.

Somewhat reduced U.S. pork shipments were more than offset by larger exports of beef. U.S. beef exports have been expanding, primarily in developed countries, but also in prime tourist areas such as the Caribbean.

Fruits and vegetables, combined, at $549 million, had an export total slightly above the level of a year earlier. Exports of fruits and preparations were about the same as in 1969-70, though lower U.S. production and larger output in Australia and South Africa discouraged U.S. shipments of fruit cocktail, canned peaches, and other canned fruit. However, exports of fruit juices, primarily citrus, rose sharply because of increased production in Florida and lower U.S. prices. Gains in shipments of dried fruits were about offset by smaller exports of fresh fruits.

Dry edible beans and lentils accounted for most of the 1-percent increase in exports of vegetables and preparations. Shipments of specialty products such as dehydrated vegetables and soups gained slightly. Shipments of canned vegetables, however, were down from year-earlier levels.

U.S. AGRICULTURAL EXPORTS FOR FISCAL 1970 AND 1971

Commodity	July-June 1969-70	July-June 1970-71 [1]	Change
	Million dollars	*Million dollars*	*Percent*
Animals and animal products:			
Dairy products	109	131	+20
Fats, oils, and greases	208	273	+31
Hides and skins[2]	203	186	− 8
Meats and meat products	140	143	+ 2
Poultry products	55	55	0
Other	96	127	+32
Total	811	915	+13
Feeds and fodders, except oilcake and meal	123	142	+15
Grains and preparations:			
Feedgrains, excluding products	986	1,090	+11
Rice	322	281	−13
Wheat and products	965	1,226	+27
Other	66	96	+45
Total	2,339	2,693	+15
Oilseeds and products:			
Cottonseeds and soybean oils	193	290	+50
Soybeans	1,069	1,264	+18
Protein meal	323	398	+23
Other	91	108	+19
Total	1,676	2,060	+23
Other products and preparations:			
Cotton, excluding linters	346	492	+42
Tobacco, unmanufactured[3]	562	570	+ 1
Fruits and preparations	341	341	0
Vegetables and preparations	205	208	+ 1
Nuts and preparations	60	68	+13
Other	318	263	−17
Total	1,772	1,942	+10
Total exports	6,721	7,752	+15

[1] Preliminary. [2] Includes fur skins. [3] Includes bulk smoking tobacco.